

# HOUSE . . . . No. 1218

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## The Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, March 18, 1925.

The committee on Taxation, to whom was referred the petition (accompanied by bill, House, No. 382) of Henry F. Long, Commissioner of Corporations and Taxation relative to providing an excise tax on motor vehicles for the use of the public ways, report the accompanying bill.

For the committee,

J. SIDNEY STONE.

Senator McCORMACK, and Representatives PERRY of Belmont and SULLIVAN of Boston, dissenting.

## The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Five.

An Act to provide an Excise on the Use of the Public  
Ways by Motor Vehicles.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. The General Laws are hereby amended  
2 by inserting after chapter fifty-nine under the title  
3 "Excise Tax on Motor Vehicles for use of the Public  
4 Ways" the following new chapter, fifty-nine A:  
5 *Section 1.* There shall be levied annually as herein  
6 provided with respect to each calendar year for the  
7 privilege of operating upon the public ways each motor  
8 vehicle registered for operation during such calendar  
9 year, subject to the provisions of section four, an excise  
10 as follows: a sum equal to such number of mills per  
11 dollar of the maker's current list price as of January  
12 first of the year of the excise if available, or if not  
13 available the maker's list price for the year of manu-  
14 facture, in either case as determined by the commis-  
15 sioner of corporations and taxation, less the deductions  
16 therefrom hereinafter provided, as is set forth in the  
17 appended rate schedule: provided, however, that per-  
18 sons registering under the provisions of sections three  
19 and four of chapter ninety, the commonwealth and  
20 political subdivisions thereof, and dealers as defined in  
21 section one of chapter ninety with respect to such motor

22 vehicles as are owned solely for purposes of demon-  
23 stration and sale and which constitute stock in trade  
24 shall not be subject to the excise herein provided.  
25 Succeeding the year of manufacture there shall be  
26 deducted from the list price for the first year twenty-  
27 five per cent thereof, for the second year fifty per cent,  
28 for the third year seventy-five per cent, and for the  
29 fourth and ensuing years ninety per cent.

30 There shall further be deducted the value as deter-  
31 mined by the board of assessors of said motor vehicle  
32 as of the first day of April of the year for which the  
33 excise is imposed if subject to local taxation in this  
34 commonwealth upon such date. The excise under this  
35 act, however, shall in no case be less than two dollars  
36 for each motor vehicle but a motor vehicle operated  
37 and transferred within the year by any person may be  
38 operated for the remainder of the year without the  
39 payment of further excise hereunder.

#### 40 RATE SCHEDULE.

41 Vehicles of less than thirty horse-power twenty mills  
42 per dollar.

43 Vehicles of thirty or more horse power twenty-five  
44 mills per dollar.

45 Horse power for the purpose of this chapter shall  
46 mean horse power as determined by the department of  
47 public works in determining the registration fee pro-  
48 vided in chapter ninety.

49 The commissioner of corporations and taxation shall  
50 as soon as may be in each year report his determination  
51 under this section to the assessors.

52 *Section 2.* The registrar of motor vehicles shall on  
53 July first, December first, and December thirty-first of  
54 each calendar year or oftener at his discretion cause the

55 board of assessors of each city or town to be notified  
56 of every motor vehicle not exempt under section one  
57 registered or transferred during the portion of such  
58 calendar year since the last previous notice. In the  
59 case of an owner who is an inhabitant the notice shall  
60 be sent to the town or city in which the owner resides;  
61 in the case of a corporation, partnership or nonresident  
62 to the city or town where the motor vehicle is cus-  
63 tomarily kept if kept within the commonwealth, other-  
64 wise in the case of a corporation or partnership to the  
65 city or town where the corporation or partnership has  
66 its principal place of business within the common-  
67 wealth. The excise provided by this chapter shall be  
68 levied as soon as may be after notice of registration is  
69 received by the board of assessors and shall be levied  
70 upon the owner with respect to each motor vehicle of  
71 the registration of which they have been so notified.

72 *Section 3.* The provisions of chapters fifty-nine and  
73 sixty relative to assessment, commitment, collection,  
74 payment, abatement and administration of taxes upon  
75 tangible personal property shall so far as pertinent and  
76 not inconsistent herewith, be applicable to excise taxes  
77 under this chapter.

78 *Section 4.* The excise for the privilege of operating  
79 upon the public ways a motor vehicle registered during  
80 the period beginning with the first day of July and  
81 ending with the last day of September in any year  
82 shall be one-half, and during the period beginning the  
83 first day of October and ending with the last day of  
84 December in any year shall be one-quarter of the sum  
85 named in section one, but in no case less than the  
86 minimum therein provided.

87 *Section 5.* All money collected by any city or town  
88 under the provisions of this chapter shall be retained  
89 by the city or town by which it is collected.

90 *Section 6.* This chapter shall not be construed to  
91 alter or amend the provisions of law with respect to  
92 the registration of motor vehicles, except as it adds to  
93 the duties of the registrar, and except as expressly herein  
94 provided.

95 *Section 7.* The commissioner of corporations and  
96 taxation shall make from time to time such reasonable  
97 rules and regulations as he may deem necessary for  
98 carrying out the provisions of this chapter, including  
99 such changes in the forms used by assessors as he may  
100 deem necessary.

101 *Section 8.* The terms used in this chapter shall have  
102 the same meanings as similar terms as defined in chapter  
103 ninety.

1 SECTION 2. Paragraph sixteen of section five of said  
2 chapter fifty-nine as amended by chapter three hundred  
3 and twenty-one of nineteen hundred and twenty-four is  
4 hereby further amended by inserting after the word  
5 "real estate" in the first and ninth lines the words:—  
6 and motor vehicles, — and by inserting after the word  
7 "business" in the fourteenth line the words:— and  
8 motor vehicles, — so that the said clause shall read as  
9 follows:— *Sixteenth.* Property, other than real estate,  
10 motor vehicles, poles, underground conduits, wires and  
11 pipes, and other than machinery used in manufacture or  
12 in supplying or distributing water, owned by Massachu-  
13 setts savings banks or co-operative banks, by Massa-  
14 chusetts corporations subject to taxation under chapter  
15 sixty-three except domestic business corporations as de-  
16 fined in section thirty of said chapter, or by foreign  
17 corporations subject to taxation under section fifty-eight  
18 of said chapter; also property, other than real estate  
19 and motor vehicles, poles, underground conduits, wires  
20 and pipes, and other than machinery used in the con-

21 duct of the business, owned by domestic business cor-  
22 porations or by foreign corporations, as defined in sec-  
23 tion thirty of chapter sixty-three; provided, that the  
24 term "machinery used in the conduct of the business  
25 and motor vehicles" shall not, as herein used, be deemed  
26 to include stock in trade.

1 SECTION 3. Paragraph three (*a*) of section thirty of  
2 chapter sixty-three of the General Laws is hereby  
3 amended by inserting after the words "real estate",  
4 in the first line of said paragraph the words,—motor  
5 vehicles,— so that the whole of said paragraph (*a*) will  
6 read:— (*a*) The works, structures, real estate, motor  
7 vehicles, machinery, poles, underground conduits, wires  
8 and pipes owned by it within the commonwealth sub-  
9 ject to local taxation, except such part of said real estate  
10 as represents the interest of a mortgagee.

1 SECTION 4. Paragraph four (*a*) of section thirty of  
2 said chapter sixty-three is hereby amended by insert-  
3 ing after the words "real estate", in the first line of  
4 said paragraph the words,— motor vehicles assessed  
5 in this commonwealth,— so that said paragraph (*a*) as  
6 amended shall read as follows:— (*a*) Works, structures,  
7 real estate, motor vehicles assessed in this common-  
8 wealth, machinery, poles, underground conduits, wires  
9 and pipes owned by it within the commonwealth sub-  
10 ject to local taxation, except such part of said real  
11 estate as represents the interest of a mortgagee;

1 SECTION 5. Section fifty-five of chapter sixty-three  
2 of the General Laws is hereby amended by inserting  
3 after the words "real estate" in the fourteenth and fif-  
4 teenth, the twenty-sixth, the thirty-first, and the thirty-

5 fifth lines, the words:— motor vehicles, — so that the  
6 whole of said section as amended will read: *Section 55.*  
7 The commissioner shall ascertain from the returns or  
8 otherwise the true market value of the shares of each  
9 corporation required to make a return under section  
10 fifty-three or fifty-four, and shall estimate therefrom the  
11 fair cash value of all the shares constituting its capital  
12 stock on April first preceding, which, unless by the  
13 charter of a corporation a different method of ascer-  
14 taining such value is provided, shall, for the purposes of  
15 this chapter, be taken as the true value of its corporate  
16 franchise. From such value there shall be made the  
17 following deductions:

18 First. In case of a railroad, telegraph, street railway  
19 or electric railroad corporation or company, whether  
20 chartered or organized in this commonwealth or else-  
21 where, so much of the value of its capital stock as is  
22 proportional to the length of that part of its line, if any,  
23 lying without the commonwealth; and also the value of  
24 its works, structures, real estate, motor vehicles, ma-  
25 chinery, poles, underground conduits, wires and pipes,  
26 subject to local taxation within the commonwealth.

27 Second. In case of a domestic telephone company,  
28 the amount and market value of all stock in other cor-  
29 porations held by it upon which a tax has been paid in  
30 this or other states for the twelve months last preceding  
31 the date of the return.

32 Third. In case of a domestic or foreign telephone  
33 company, so much of the value of its capital stock as is  
34 proportional to the number of telephones used or con-  
35 trolled by it, or under any letters patent owned or con-  
36 trolled by it, without the commonwealth.

37 Fourth. In case of a domestic or foreign telephone  
38 company, the value of its works, structures, real estate,

39 motor vehicles, machinery, poles, underground conduits,  
40 wires and pipes, subject to local taxation within the  
41 commonwealth.

42 Fifth. In case of corporations subject to section fifty-  
43 three or fifty-four, other than railroad, telegraph, tele-  
44 phone, street railway and electric railroad corporations  
45 or companies, the value as found by the commissioner  
46 of their works, structures, real estate, motor vehicles,  
47 machinery, poles, underground conduits, wires and pipes,  
48 subject to local taxation wherever situated.

49 Sixth. In case of corporations owning stock of an  
50 electric company under section nine A of chapter one  
51 hundred and sixty-four as thereto authorized by the  
52 department of public utilities, the deduction mentioned  
53 in paragraph *Fifth* above and the fair cash value, as  
54 found by the commissioner of the stock of such electric  
55 companies so owned.

56 For the purposes of this section the commissioner may  
57 take the value at which any works, structures, real  
58 estate, motor vehicles, machinery, poles, underground  
59 conduits, wires and pipes are assessed at the place where  
60 they are located as the true value, but such local assess-  
61 ment shall not be conclusive of the true value thereof.

1 SECTION 6. This act shall become effective with re-  
2 spect to the use of motor vehicles during the calendar  
3 year of nineteen hundred and twenty-six and thereafter.